

Statement of Estimated Local Revenue Impact

Date: January 30, 2013

Bill Number: H. 3256

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Committee Requesting Impact: House Ways and Means

Bill Summary

A bill to amend Section 12-43-220, as amended, Code of Laws of South Carolina, 1976, relating to the classification of property for purposes of property tax and the assessment ratios applicable for each class of property, so as to provide that residential property owned by an active duty member of the Armed Forces of the United States eligible for and receiving the special four percent assessment ratio allowed owner-occupied residential property retains that assessment ratio and exemptions based on that classification for so long as the owner remains on active duty in the Armed Forces of the United States regardless of duty station and does not claim the special four percent assessment ratio on any other residential property owned by the service member or a member of his household in this state and to provide that this retaining of the special four percent assessment ratio must be construed as a property tax exemption.

REVENUE IMPACT ^{1/}

This bill is not expected to impact State revenues. Local property tax revenue would be reduced by \$357,246 in FY 2013-14.

Explanation

This bill allows active duty military in the Armed Forces of the United States currently receiving the four percent assessment ratio on an owner occupied residence to retain that special assessment if the member is relocated or changes his/her permanent duty station out of the state or the property is rented. Currently active duty military are allowed to retain the special assessment for owner occupied property so long as the member's permanent station is in South Carolina. The bill would allow the service member to retain the special assessment ratio if the member is transferred to another state or rents the property so long as no other owner-occupied residence is claimed by the service member or a spouse. The bill applies to tax years after 2012. Based upon data from the US Department of Defense and the National Defense Research Institute, we estimate that 428 service members will qualify in tax year 2013. We estimate that local property tax revenue will be reduced by \$357,246 in FY 2013-14.



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^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.